

1960
Vol. I

SUBVERSION IN LATIN AMERICA

by

Lorna Morley

| | Page |
|---|------|
| FEAR OF COMMUNIST CONTROL OF CUBA | 241 |
| U.S. Support of Common Hemisphere Approach | 241 |
| Steady Leftward Trend in Cuba Under Castro | 242 |
| Deterioration of Relations With Castro's Cuba | 244 |
| Cuba's Trade and Aid Agreements With Moscow | 245 |
| Position of U.S. Naval Base at Guantanamo Bay | 247 |
| SOVIET PROBING IN WESTERN HEMISPHERE | 248 |
| Communist Support of Nationalism Among Latins | 249 |
| Red-Dominated Government in Guatemala, 1951-54 | 250 |
| Trade Drive of the Soviet Bloc in Latin America | 252 |
| HEMISPHERIC ACTION AGAINST SUBVERSION | 254 |
| Cooperative Steps to Counter Nazi Infiltration | 254 |
| Postwar Agreements to Combat Red Subversion | 255 |
| Proposals for Preventing Communist Takeovers | 256 |

No. 13
Apr. 6

THE right to reproduce material contained in *Editorial Research Reports* is strictly reserved to the newspaper clients of the service. Verbatim use of such material by others will be permitted only upon written authorization.

RICHARD M. BOECKEL, *Editor*

BUEL W. PATCH, *Associate Editor*

Editorial Research Reports
1156 Nineteenth Street, N.W.
Washington

SUBVERSION IN LATIN AMERICA

SIGNS of strong Communist influence in the Cuban government of Fidel Castro, coupled with a steady stream of anti-United States harangues by Castro, other Cuban officials, and government organs, have seriously perturbed and provoked the Eisenhower administration, members of Congress, and the American public. Demands for retaliation, mainly in the form of reduced sugar purchases and other economic penalties, have been frequently voiced. Through it all, however, the administration has counseled patience and understanding.

Concern over the Communist menace, as well as underlying regard for a close neighbor currently in the throes of revolutionary fervor, has impelled the administration to move cautiously. It recognizes that severe retaliatory action might not only give Castro the scapegoat he seems to be seeking for mounting internal ills, but also risk turning Communist influence in Cuba into Communist domination. The latter eventuality would have such grave implications for U.S. and hemisphere security that it would undoubtedly precipitate preventive or remedial action.

President Eisenhower has emphasized that in any such case the United States would want to act in concert with its sister republics. The President made the administration's position clear in a recent address in Brazil, a country whose Communist party is one of the most powerful on the continent. Summing it up, March 8, in his homecoming radio-television account of the South American good will tour, Eisenhower said:

We believe in the right of people to choose their own form of government, to build their own institutions, to abide by their own philosophy. But if a tyrannical form of government were imposed from outside or with outside support—by force, threat, or subversion—we would certainly deem this to be a violation of the [inter-American] policy of non-intervention, and would expect the Organization of American States, acting under several solemn commitments, to take appropriate collective action.

Editorial Research Reports

The President's statement, putting subversion of any of the American republics by outside forces in the same category as armed invasion and defining either as intervention calling for defensive action by the American community, was interpreted as a plain warning to Cuba and to the Soviet Union.

Cuba, only 90 miles from Florida, is a key area in the defense of the Caribbean region and the Panama Canal. Political developments there obviously may affect the military security of the United States. It was not surprising, therefore, that when the Castro government last Feb. 13 entered into trade and aid agreements with the U.S.S.R., there was grave concern in the United States. James Reston of the *New York Times* speculated on Feb. 19: "What . . . if the Soviet Union negotiated a mutual security pact with Cuba similar to the pacts the United States has with Turkey and Iran on the southern frontier of the Soviet Union? . . . There is no evidence that any such deal is being planned, but after what has happened in Cuba this month, nobody here is quite prepared to dismiss it as a possibility."

STEADY LEFTWARD TREND IN CUBA UNDER CASTRO

Secretary of State Christian A. Herter said in a radio-television interview, March 20, that although some Red sympathizers held high office in Cuba and some of the acts of the Castro government seemed to follow a Communist pattern, he did not think anyone "could say affirmatively that Cuba is Communist at the present time." Some observers insist that Castro's anti-Yankee stand has been adopted only to dispel domestic opposition at the present stage of the Cuban social revolution. According to this view, Castro is anti-Communist and would oppose any attempt at a Red takeover. However, recent developments in Cuba seem to have followed a pattern similar to that in Guatemala, where the Communists came close to gaining outright power in 1954.

After the dramatic overthrow of the dictatorial Cuban regime of Gen. Fulgencio Batista, Jan. 1, 1959, a period of political and economic confusion ensued. The leaders of the new regime were young, inexperienced and politically unsophisticated. A numerically small but trained and organized group of Communist activists and agitators thus found it easy to place themselves in advantageous positions. The outlawed Cuban Communist party, essentially an urban

Subversion in Latin America

movement, had not supported Castro's non-Communist peasant rebels during most of the two years they fought before gaining power. But when it became apparent that the rebels were going to win, the Reds sought an alliance with the revolutionary movement.

Castro's government, with a sweeping program of social reform and economic nationalism, soon developed radical symptoms. As time went on, a number of the premier's moderate supporters resigned, defected or were dismissed and were replaced in some cases by hotheads. Five cabinet ministers resigned, June 12, 1959, less than a month after approval of the Cuban agrarian reform law. Included in the group was Foreign Minister Roberto Agramonte, a moderate. He was succeeded by Raul Roa, former Cuban ambassador to the Organization of American States; Roa's policy has been to emphasize Cuba's neutralist position in the East-West struggle.

Maj. Pedro Diaz Lanz, chief of the Cuban Air Force, fled to the United States at the end of June and charged Red infiltration in the armed forces and government. Soon afterward, Castro forced the resignation of President Manuel Urrutia Lleo, an anti-Communist, by accusing him of joining Diaz in a plan to defame the revolutionary government. The stream of resignations has continued and recently included those of the naval attachés in Washington, Mexico City, and Santiago, Chile.

Perhaps the most significant of the changes in the leadership at Havana occurred last Nov. 26, when Maj. Ernesto Guevara was named president of the National Bank of Cuba in place of the moderate and internationally respected banker Felipe Pazos. Guevara, an Argentine-born physician said to be passionately anti-Yankee and the most left-wing of Castro's advisers, is usually labeled a Communist. Active in Guatemala a decade ago when that country was falling under Communist influence, Guevara is believed to be gaining increasing power over the Cuban premier and to be taking increasing control of policy. He has been given chief credit on the Cuban side for arranging the recent trade and credit agreements with the U.S.S.R.

Red infiltration of the government was made a burning public issue on March 22 when Luis Conte Aguero, Cuban TV and radio commentator and a personal friend of Castro,

Editorial Research Reports

publicly warned that the Communists were trying to turn the Cuban revolution into "Soviet socialism" and to provoke bloodshed between the United States and Cuba. The bitter denunciation immediately poured on Conte Aguero's head by Castro and official press and radio forced the commentator to withdraw from broadcasting and to take refuge in the Argentine embassy. Government spokesmen branded active opponents of communism as counter-revolutionists if not traitors.

DETERIORATION OF RELATIONS WITH CASTRO'S CUBA

Cordial relations between the United States and the Cuban revolutionary government were unlikely from the beginning. Castro and his colleagues had come to feel deep resentment toward this country. Intense anti-Yankee sentiment in Cuba resulted in part from the fact that arms supplied to the Batista dictatorship—under a military aid agreement similar to agreements with other Latin American countries—had been used against Castro's rebels. One of Castro's first moves in January 1959 was to arrange for withdrawal of the U.S. military missions which had helped to train Batista's forces.

Early in the Castro period many Batista men were denounced as war criminals and executed by firing squads after summary military trials conducted in the manner of public spectacles. This procedure caused widespread revulsion in the United States. Relations were hardly improved by Castro's land reform program, involving virtual confiscation of much private property owned by Americans,¹ or by the premier's violent diatribes against the United States.

Castro was especially vehement in condemning what he called official U.S. connivance with Cuban exiles working against the Castro regime from places of refuge in the United States. For example, defectors led by Maj. Diaz, the former Cuban Air Force chief, flew over Havana from Florida last October and dropped leaflets denouncing Castro. Florida-based flights to bomb Cuban sugar mills or to fire cane fields were reported later. Eisenhower on Feb. 18 issued an executive order to tighten enforcement of U.S. neutrality laws in an effort to stop illegal arms shipments to Cuba and to prevent any other U.S.-based military activity against that country.

¹ See "Expropriation in Latin America," *E.R.R.*, 1960 Vol. 1, pp. 21-30.

Subversion in Latin America

Further steps in the same direction were taken by the Federal Aviation Agency toward the end of March. About that time, however, a different light was thrown on Cuban complaints concerning flights of hostile aircraft from Florida. The State Department let it be known, March 29, that it had a signed statement from the American co-pilot of a plane from the Miami area that had been forced down in Cuba on March 21. Although details were not disclosed, the statement was reported to link the Cuban government with the illegal flight.

U.S. Ambassador Philip W. Bonsal was recalled from Havana on Jan. 21, after Castro had charged in a radio-TV speech that Bonsal was implicated in counter-revolutionary activities. President Eisenhower on Jan. 26 deplored such "unwarranted attacks" as well as the whole tendency of spokesmen of the Castro regime "to create the illusion of aggressive acts and conspiratorial activities . . . attributed to United States officials or agencies." Following the explosion in Havana harbor, March 4, of a French ship carrying Belgian munitions consigned to Cuba, Castro publicly implied that U.S. officials were responsible for the disaster. Although relations between the two nations were more seriously strained than ever, Ambassador Bonsal was sent back to Havana, March 20, to have another try at smoothing the waters.

CUBA'S TRADE AND AID AGREEMENTS WITH MOSCOW

Soviet First Deputy Premier Anastas I. Mikoyan arrived in Cuba, Feb. 4, to open a Soviet cultural exhibit in Havana, and wound up his stay, Feb. 13, by joining Premier Castro in signing the trade and credit agreements. Diplomatic relations between Cuba and the Soviet Union have been in abeyance since 1952,² but Mikoyan said at a news conference on the day he started home that there was "no political problem" on that score. Re-establishment of diplomatic relations presumably is in the offing.

The trade agreement signed on Feb. 13 provides for shipment of five million tons of Cuban sugar to Russia over the five-year period 1960-64. Only 20 per cent of the one million tons to be shipped annually will be paid for in U.S. dollars after this year; the annual balance of 800,000 tons is to be bartered for Russian oil, wheat, pig iron and rolled

² The Soviet Union severed diplomatic relations with Cuba, April 3, 1962, after two Soviet couriers had been barred from the island because they refused to allow Havana customs officers to inspect their baggage.

Editorial Research Reports

steel, fertilizers, aluminum ingots and rolled aluminum, newsprint, sulphur, caustic soda, and unspecified types of machinery.

Under the credit agreement Cuba is to receive a 12-year Soviet loan of \$100 million to finance construction of unspecified factories and other installations to be completed by 1965. The credit agreement seems to call for entry into Cuba of a large number of Soviet technicians to prospect for mineral resources as well as to help supervise the building of factories and to teach production methods. Mikoyan said, Feb. 13, that technical assistance would be furnished whenever Cuba requested it.

The Soviet Union has been buying Cuban sugar since 1954, but the largest amount taken in any previous year was around 540,000 tons. Observers have commented that the agreement to buy one million tons annually for five years constitutes an extraordinary mark of Russian favor to the world's leading sugar exporter. The U.S.S.R. itself is a major sugar producer, is trying hard to increase its output, and has exported an annual average of 200,000 tons in recent years.

It has been pointed out that in the years 1961-64 Cuba will gain no foreign exchange under the trade agreement, as only 200,000 tons of sugar each year are to be bought with dollars. Cuban sugar shipments to Russia since 1954, not covered by any kind of bilateral agreement, were paid for entirely in dollars and averaged well over 200,000 tons annually.³ Cuba's imports from the Soviet bloc have been negligible heretofore. As a result, during the six-year period 1954-59 Cuba's favorable balance of trade with Russia substantially helped to reduce the island's foreign exchange shortage. Some observers nevertheless think the new agreement will be a good bargain for Havana if the Soviets make the agreed deliveries of materials and machinery promptly.

Castro's deal with Mikoyan may help to modify Cuba's extreme economic dependence on the United States. The island has long looked to this country both to buy its sugar and to supply needed imports. The new Soviet-Cuban trade agreement will make Russia the second largest purchaser of Cuban sugar. Increased trade with Russia and

³ Cuba's sugar exports to Russia amounted to about 500,000 tons in 1954; 638,000 tons in 1955; 200,000 tons in 1956; 400,000 tons in 1957; 200,000 tons in 1958; 300,000 tons in 1959.

Subversion in Latin America

help on industrialization, though small in comparison with the trade with the United States and with American investments in Cuba, will have a considerable impact. As Russia is paying dollars for a record purchase of 575,000 tons from the current sugar crop, the immediate effect will be to help Havana out of the hole financially.

Cuba's agreements with the Soviet Union were followed, April 1, by announcement that a trade pact had been entered into with Poland. Cuban sugar and raw materials are to be exchanged for various Polish manufactures, including aircraft. In addition, the Soviet satellite will give Cuba industrial equipment on credit and provide technical and scientific assistance. The quantities involved in the agreement were not disclosed.

POSITION OF U.S. NAVAL BASE AT GUANTANAMO BAY

The possibility that a Russian military base might be established in Cuba is generally discounted. It is more likely that Moscow would like to use the island as a platform from which to press the Communist political drive in other Latin American countries. Meanwhile, the Castro government may well move on its own account to try to oust the United States from the naval base at Guantanamo Bay. A publication of the British Royal Institute of International Affairs commented last December: "There is little doubt that the presence of a U.S. base on Cuban soil is not a situation that Castro intends to tolerate indefinitely, and it is just possible that the crescendo of his recent attacks on the U.S.A. is intended to provoke that country into taking action against Cuba which will justify him in abrogating the terms of the base agreement."⁴

Under the Platt Amendment, incorporated in the U.S.-Cuban treaty of 1903, Cuba agreed to "sell or lease to the United States lands necessary for coaling or naval stations, at certain specified points to be agreed upon with the President of the United States." An area of 50 square miles of land and water at Guantanamo Bay, in Oriente Province on the Windward Passage between Cuba and Haiti, was leased at an annual rental of \$2,000. When the Platt Amendment, which also granted the United States the right to intervene in Cuba, was abrogated under the Good Neighbor policy in 1934, the new treaty stipulated that the Guantanamo lease should continue in effect indefinitely. This

⁴ "U.S. Dilemma in Panama and Cuba," *The World Today*, December 1959, p. 465.

country's legal position at Guantanamo was further reaffirmed in 1952 in a military defense assistance agreement with the Batista government.

The Castro government tends to look on the Guantanamo base as a symbol of Cuban subordination to the United States. A recent indication that trouble over the matter might be building up was given by a dispatch on March 14 in *Revolucion*, semi-official Cuban newspaper, charging that working conditions at the naval base were "daily getting worse," and that the 3,000 Cubans employed there were served poor food. Castro's labor minister, 10 days later, questioned the right of the United States to exercise full jurisdiction over the Cuban workers. However, Maj. Raul Castro, armed forces minister and the premier's brother, said on March 28, in the first official pronouncement on the subject, that "Newspaper talk of a Cuban attack against the Guantanamo base is nonsense." Maj. Castro added that the base could be maintained "as long as there is no aggression [against Cuba] from the United States." The definition of what is aggression of course rests with Cuba.

Guantanamo is the principal U.S. naval station in the Caribbean area. It has a large airfield, and its harbor can take the biggest American naval vessels. Adm. Arleigh A. Burke, Chief of Naval Operations, told the Senate Foreign Relations Committee, Jan. 21, that the Navy did not intend to withdraw from Guantanamo. He said the situation would be "extremely grave" if the base should be "occupied by a major enemy power."

Soviet Probing in Western Hemisphere

ALL COUNTRIES of Latin America face urgent pressures generated by population growth on inadequately developed resources. In the eyes of Latin Americans, therefore, solution of economic problems takes priority as the major hemispheric need. To them it exceeds in importance the menace of international communism—the question which now preoccupies advanced countries of the free world. In the words of Prof. K. H. Silvert of Tulane University, "Latin Americans . . . have no direct emotional involvement in the cold war; the United States views the international clash

Subversion in Latin America

with Soviet Russia as a struggle for survival in the deepest sense."⁵

COMMUNIST SUPPORT OF NATIONALISM AMONG LATINOS

Nationalism in Latin America, as in other underdeveloped regions, involves a demand for rapid economic development—a demand which has gained tremendous momentum since World War II while the United States and countries of Western Europe have been concentrating on the cold war. Latin American Communist parties have been exploiting the already strong tendency in that area to fix attention almost exclusively on internal socio-economic conditions. Allen W. Dulles, Director of the Central Intelligence Agency, said in a speech in Washington, March 22, that in 1959 Moscow instructed Latin American Communists to line up with nationalist elements, to seek control of local institutions, and to minimize their ties with the Soviet Union. "These instructions are now being implemented and we are seeing it happen not too far away," Dulles added, referring presumably to Cuba.

Although the revolution of rising expectations derives its impetus from exposure to the liberal values of the West, it has begun to challenge those values. As a recent study carried out for the Senate Foreign Relations Committee by the Harvard Center for International Affairs pointed out:

Nationalism, while absorbing many democratic values and initially even creating Western-type democratic institutions, has become necessarily involved in a mounting socio-economic revolution. For this reason Communist, and particularly Soviet, policy toward these states is one of patience and collaboration in the hope that ultimately the accelerating socio-economic revolution will create the pre-conditions for an assumption of power by local Communists. . . . The general trend . . . in Latin America is toward some form of socialism as a method for development. . . . Many nationalists, seeing the United States as a capitalist power unduly interested in the status quo, reject the relevance of American democracy to the problems facing them.⁶

Soviet Communism's long-range objective in Latin America, as in other parts of the free world, is undoubtedly to achieve a position of dominant influence. Communist parties throughout the region are cooperating with Moscow in efforts to discredit the "colossus of the North" as an

⁵ K. H. Silvert, "Political Change in Latin America," *The United States and Latin America* (American Assembly, December 1959), p. 80.

⁶ Center for International Affairs, Harvard University, *Ideology and Foreign Affairs* (Jan. 17, 1960), pp. 2-3.

Editorial Research Reports

imperialist oppressor. Latin American Red agents apparently have undertaken to exploit grievances against the United States.

At the same time, the Communists are working to project a favorable image of the U.S.S.R. as a powerful friend of Latin America. Economic, political and cultural campaigns are the tactics of competitive coexistence. The Communist economic offensive, which has made some progress since 1953, operates through trade promotion and offers of financial and technical assistance. The political and cultural drives also have made some headway, even though 17 of the 20 Latin American republics still have no diplomatic relations with the U.S.S.R.⁷ In recent years, Red radio propaganda has been on the increase. Russia, Red China and the satellites are building contacts through exchange of persons, exhibits, literature, art and motion pictures.

RED-DOMINATED GOVERNMENT IN GUATEMALA, 1951-54

The Guatemalan Communist episode illustrates circumstances conducive to successful Communist subversion in Latin America—collapse of a dictatorship in a country where there is great pressure for social and political reform, but where there are no non-Communist elements with the experience needed to make democratic institutions operate successfully. Gen. Jorge Ubico, who ruled Guatemala from 1930 to 1944, was overthrown in the latter year by a nationalist group urging social reform. The succeeding administration (1945-51), headed by President Juan Jose Arevalo, a liberal non-Communist, encouraged labor organization, but a few skilled Red organizers won control of the new unions. In addition, in the absence of trained administrators with democratic traditions, Communists gained key positions in the government, and the Reds turned out to be the most persistent and aggressive advocates of the objectives of the 1944 revolution.

The next government, under President Jacobo Arbenz Guzman (1951-54), worked closely with the Communists and soon developed into a dictatorship that was subject increasingly to Red control. Important posts throughout the government, including the Congress, went to Communists. And Communists, through their labor leadership,

⁷ At present Argentina, Mexico and Uruguay are the only Latin American countries having diplomatic relations with the U.S.S.R. One or more of the European satellites also have diplomatic missions in these three countries, and in Bolivia, Brazil and Colombia.

Subversion in Latin America

strengthened their influence over a vocal element of the population. Another factor that helped the Reds to win effective control was their advocacy of land reform, with its overtones of economic nationalism. The agrarian reform law, enacted in 1952, enhanced their popularity with the oppressed peasant class. Robert J. Alexander, a student of Latin American politics, has explained Guatemalan vulnerability to Red influence after the fall of Ubico as follows:

The young military men and ex-students who had been largely responsible for the Revolution . . . were unaware of the basic differences between the indigenous national revolutionary movements and the international Communist Movement and . . . the Communists cultivated the natural nationalistic feelings of the leaders. . . . Due to the geographical location of Guatemala and the influence which United States-owned companies had on the . . . life of the country, these nationalistic feelings . . . ran against the United States, and the Communists capitalized upon this fact to carry on their extreme anti-Yanqui propaganda.⁸

The United States, committed not to intervene in the internal affairs of a Latin American country, was faced with a serious dilemma. When a consignment of Czech arms was shipped to Guatemala in May 1954, neighboring Nicaragua called for a meeting of American foreign ministers under the Rio collective security treaty of 1947. The meeting was finally scheduled for July 7, but the matter was settled before the end of June by an invasion of Guatemala from Honduras that resulted in prompt downfall of the Arbenz government.⁹ Col. Carlos Castillo Armas, who led the invasion, replaced Arbenz as head of the Guatemalan government. Communist influence in Guatemala was routed, at least for the time being. Both Castillo Armas and his successor, Miguel Ydigoras, were relatively conservative.

It is widely believed that Arbenz was overthrown with the aid of clandestine assistance from the United States. A number of North American observers are of opinion that Washington, when confronted by an intolerable threat of Red subversion in Central America, felt it necessary to depart from strict adherence to the principles of non-intervention and collective action. Philip B. Taylor, Jr., of the University of Michigan, after exhaustively reviewing the available evidence, said: "The conclusion that the

⁸ Robert J. Alexander, *Communism in Latin America* (1957), pp. 354-355.

⁹ See "Invasion and Intervention in the Caribbean Area," *E.R.R.*, 1959 Vol. II, pp. 548-549.

Editorial Research Reports

United States played an important part in the struggle in Guatemala seems inescapable."¹⁰

TRADE DRIVE OF THE SOVIET BLOC IN LATIN AMERICA

The accelerating Communist trade drive in Latin America is in line with the overall shift in the Soviet approach to the free world since Stalin died in 1953. Previously the Red countries had not participated significantly in world trade. Countries of the Soviet bloc accounted for less than 1 per cent of combined Latin American imports and exports in 1952. Since then, however, the Soviet Union and its satellites have been making vigorous efforts to expand trade in that quarter; between 1952 and 1956 their commerce with Latin America rose by 609 per cent, the greatest increase for any region.¹¹ Nevertheless, partly because of the very small initial volume, trade of the Soviet bloc with Latin America amounted in 1959 to only about 2 per cent of total Latin American external trade; the United States accounted for 47 per cent of such trade and Western Europe for 28 per cent.

More than 90 per cent of all the trade of the Soviet bloc with Latin America is with Argentina, Brazil, Cuba and Uruguay, in that order of importance. Russia has been the leading Red customer for Latin American exports. Although Soviet trade overtures have received the most publicity, the Eastern European satellites, mainly Czechoslovakia and Poland, have provided most of Latin America's imports from the bloc. Vigorous sales promotion in Argentina, Brazil and Uruguay has re-established a pattern of trade between the countries of South America's east coast and Eastern Europe that prevailed before World War II.

Numerous bilateral trade and payment agreements have been arranged between bloc countries and Argentina, Brazil and Uruguay, now joined by Cuba. Almost all of the Latin American trade of the Soviet bloc is conducted under such agreements, which often feature provisions for barter and for extension of liberal credits. Latin American countries which have entered into barter agreements have done so under the pressure of falling commodity prices and declining foreign exchange balances. Under barter arrangements, hard-to-move agricultural surpluses, chiefly wool,

¹⁰ Philip B. Taylor, Jr., "The Guatemalan Affair: A Critique of United States Foreign Policy," *American Political Science Review*, September 1956, p. 797.

¹¹ See "Economic Relations With Latin America," *E.R.R.*, 1958 Vol. II, pp. 511-512.

Subversion in Latin America

hides, meat, cotton, cocoa, coffee, and more recently sugar, are exchanged largely for machinery, transportation equipment, oil, aluminum and other processed materials.

The Communists have made numerous general offers of financial and technical aid to certain Latin American countries. But before recent announcement of the Soviet offer of a \$100 million loan to Cuba, the principal credit actually negotiated had been a \$100 million Soviet loan to Argentina to help develop that country's oil resources. By comparison, free world investors have made about \$1 billion available to Argentina for the same purpose. Technical assistance from the Soviet bloc to Latin America so far has not been extensive; at present technicians are working only in Argentina.

A report of the Rockefeller Brothers Fund in 1958 said of Communist trading programs in Latin America: "Regardless of which segment of the Soviet bloc is making the trade overtures, they are being used in a concerted effort to disrupt the historic ties between these less developed countries and the industrialized nations of the democratic West. The objective is clearly one of economic and political domination."¹² On the other hand, a recent study for the Senate Foreign Relations Committee by the Corporation for Economic and Industrial Research suggested that the concept of concerted efforts at disruption and subversion was too simplified to explain Communist economic policies in Latin America:

The facts of economic life prove the important stake Latin America has in trade with North America and Western Europe. The outlook is not for serious inroads of bloc trade into those traditional economic relationships. The point of concern is the political and psychological implications of the trade that does take place with the bloc. . . . There is still no evidence that the Soviet bloc is using its trade and aid agreements as a cloak for the dagger of subversion in Latin America. But the agreements provide occasion for Soviet and Communist Party attacks on U.S. "imperialist" designs, and for pronouncements of Soviet friendship and capability. Nor is there any evidence that in its Latin American trade relations the Soviet bloc acts as a bloc. . . . Each bloc country seems to operate on its own in the trade and aid field, and there is probably some open competition between them.¹³

¹² Rockefeller Brothers Fund, *Foreign Economic Policy for the Twentieth Century* (1958), p. 16.

¹³ Corporation for Economic and Industrial Research, *Soviet Bloc Latin American Activities and Their Implications for United States Foreign Policy* (Feb. 28, 1960), pp. 74-75. This study was prepared in the main by George Washington University professors.

Editorial Research Reports

The new Soviet-Cuban trade and aid agreements illustrate the kind of deal which advances Soviet political strategy in Latin America. Such politically motivated trade competition may serve to give the Soviet Union a foothold in key Latin American countries. It may also provide a basis for further undermining U.S. influence and enhancing Red prestige throughout the region.

Hemispheric Action Against Subversion

RECURRENT EFFORTS have been made, in developing the inter-American system, to establish effective means of dealing collectively with the problem of subversion or aggression short of armed attack.¹⁴ Nazi penetration in South America in the 1930s raised the first threats of this sort, and Washington took the lead, starting with a special Inter-American Conference at Buenos Aires in 1936, in working out collective methods to combat Axis-fomented and, later, Communist subversion in the Western Hemisphere.¹⁵

The Declaration of Lima, issued at the regular Inter-American Conference in 1938, provided for consultation of the foreign ministers of the 21 republics in situations threatening the peace or security of the hemisphere. Secretary of State Cordell Hull, who attended the Lima conference, wrote later: "The Declaration of Lima . . . affirmed the intention of the American republics to help one another in case of a foreign attack, either direct or indirect, on any one of them. It provided for joint action not only against a military assault but also against the underground infiltration methods pursued by the Axis."¹⁶

The American foreign ministers met at Rio de Janeiro in January 1942, a few weeks after Pearl Harbor, to urge complete severance of relations with the Axis powers and make arrangements for hemisphere defense and economic cooperation. Anticipating that organized Axis sympathizers might try to seize political power in Latin American countries, the foreign ministers also set up an Emergency

¹⁴ See "Indirect Aggression," *E.R.R.*, 1957 Vol. I, pp. 139-142.

¹⁵ See "Inter-American System," *E.R.R.*, 1950 Vol. I, pp. 100-108.

¹⁶ *The Memoirs of Cordell Hull* (Vol. I, 1948), p. 608.

Subversion in Latin America

Advisory Committee for Political Defense. Its function was to study and coordinate measures to counter Axis political warfare, subversion, and sabotage. This committee, which was not formally dissolved until 1948, handled its delicate assignment flexibly. A recent study found that the committee's "effectiveness was increased by the fact that its members were in frequent face-to-face consultation with national officials in the various American states."¹⁷

POSTWAR AGREEMENTS TO COMBAT RED SUBVERSION

A regional mutual defense treaty negotiated at Rio in 1947 (Inter-American Treaty of Reciprocal Assistance) included a section (Art. 6) on indirect aggression: "If . . . the territory or the sovereignty or political independence of any American state should be affected by an aggression which is not an armed attack, . . . or by any other fact or situation that might endanger the peace of America, the Organ of Consultation [foreign ministers] shall meet immediately in order to agree on the measures which should be taken for the common defense."

Inter-American meetings held since the Rio pact was drawn up in 1947 have adopted a series of resolutions directed against Red subversion. The Inter-American Conference at Bogota in 1948 thus recorded the determination of the American republics to proscribe "international communism or any other totalitarian doctrine" and to "eradicate and prevent activities directed, assisted, or instigated by foreign governments, organizations, or individuals tending to overthrow their institutions by violence, to foment disorder . . . or to disturb, by means of pressure, subversive propaganda, threats, or . . . other means, the . . . right of their peoples to govern themselves in accordance with their democratic aspirations." A consultative meeting of the American foreign ministers was convened at Washington in March-April 1951 to consider "common defense against the aggressive activities of international communism." A resolution unanimously adopted recommended tightening of domestic laws covering subversive activity without infringing basic human rights.

At the Inter-American Conference at Caracas in March 1954, the looming threat of complete Communist seizure of power in Guatemala caused the United States to sponsor

¹⁷ *The Organization of American States* (study prepared for Senate Committee on Foreign Relations by Northwestern University, Dec. 24, 1959), p. 31.

Editorial Research Reports

a resolution looking to collective action in such cases. The resolution, adopted by a vote of 17-1 (Guatemala opposed; Argentina and Mexico abstained) declared that "The domination or control of the political institutions of any American state by the international Communist movement, extending to this hemisphere the political system of an extra-continental power, would constitute a threat to the sovereignty and political independence of the American states, endangering the peace of America, and would call for a meeting of consultation to consider the adoption of appropriate action in accordance with existing treaties."

The Caracas resolution seemed intended to interpret the Monroe Doctrine as covering Communist subversion, and to re-emphasize the broadened concept of the Monroe Doctrine as an expression of inter-American policy—a concept implicit in development of the inter-American system since the eve of World War II. However, demise of the wartime Emergency Advisory Committee for Political Defense left the American republics without special machinery for dealing collectively with foreign-directed subversion. A recent study of the Organization of American States explained:

Certain political features of inter-American life inhibit the development of devices within the O.A.S. for countering subversion. (1) Because many Latin American societies lack a tradition of orderly and peaceful political change, it is sometimes difficult to distinguish subversive activity of extra-hemispheric origin from quasi-legitimate "revolutions." (2) Even when the distinction can be made successfully, the tradition of non-interference in internal affairs prohibits a prior agreement to procedures for collective intervention by the O.A.S.¹⁸

If Communists threaten to take over the government of an American country, the other American states are pledged by the Caracas resolution to consult together on appropriate collective measures. The resolution, however, makes no provision for even initial unilateral action of an emergency nature.

PROPOSALS FOR PREVENTING COMMUNIST TAKEOVERS

The leftward course of Cuba's government has brought demands in the Congress of the United States for recognition of a right to intervene to prevent an outright Communist takeover. Rep. Daniel J. Flood (D Pa.) introduced a resolution in the House last Jan. 6 proposing that "Any

¹⁸ Northwestern University, *The Organization of American States* (Dec. 24, 1959), p. 31.

Subversion in Latin America

one or more of the high contracting parties to the Inter-American Treaty of Reciprocal Assistance [Rio pact] may, in the exercise of individual or collective self-defense, . . . take steps to forestall or combat intervention, domination, control, and colonization in whatever form, by the subversive forces known as international communism and its agencies in the Western Hemisphere." A similar Senate resolution was introduced the following day by Sens. Prescott Bush (R Conn.) and John J. Sparkman (D Ala.). These resolutions closely resembled another proposed shortly before in a magazine article by Samuel Flagg Bemis, distinguished diplomatic historian.¹⁹

Justification for unilateral action was found in the circumstance that, as stated in the preamble of the Bush-Sparkman resolution, "in the rapidly evolving atomic age the threat presented by any such intervention [by the world Communist movement] might develop with such rapidity that there would not be time to assemble a meeting of the inter-American organ of consultation to provide for joint action to repel the danger." However, the resolution provided that any unilateral action should be reported promptly to the American foreign ministers "to the end that an emergency committee, established in the manner provided by the Convention of Havana of 1940, may be organized to provide for the provisional administration of the nation so defended, pending its restoration to a government of the people, by the people, and for the people."

The Convention of Havana, negotiated at a meeting of the American foreign ministers in Cuba in July 1940, had its origin in apprehensions that Nazi conquests in Europe might lead to an attempt by Hitler to take over the West Indian colonies of conquered European nations. A joint resolution, adopted by House and Senate in mid-June 1940, had given warning that the United States would not recognize any such transfer and would consult with the other American republics on action to safeguard hemisphere interests. The so-called Act of Havana, immediately effective, approved unilateral action in an emergency to prevent a transfer of sovereignty and created an emergency committee, composed of one representative of each of the republics,

¹⁹ Samuel Flagg Bemis, "A Way to Stop the Reds in Latin America," *U.S. News & World Report*, Dec. 28, 1959, pp. 77-80. Bemis proposed that the groundwork for action be laid by adoption of a joint resolution, which requires the assent of the President and has the force of law. The resolutions introduced in House and Senate were so-called concurrent resolutions, which do not require the President's assent and hence reflect only the sense of Congress.

Editorial Research Reports

to assume administration of any region attacked or threatened. The permanent convention provided for an Inter-American Commission for Territorial Administration and for administration of a threatened territory, by one or more American states, for an initial period of three years that might be renewed for successive periods of not longer than 10 years.²⁰

Provision for action on the 1940 model to meet any threat of a Communist takeover is urged now on the ground that, while intervention to counter subversion is authorized by the Rio pact, it is doubtful whether the two-thirds majority necessary for joint action under that treaty could be obtained in time to be effective. Independent intervention by the United States, it is recognized, would be highly obnoxious in the eyes of most Latin Americans. Marquis Childs suggested in his syndicated newspaper column on March 18:

Communist strategy is to force the colossus of the North to intervene directly and preferably with troops that would undertake to set up a puppet government. . . . Intervention with force would be disastrous throughout Latin America and in neutral Africa and Asia. It would enormously further communism's long-range strategy, which is to take over not in little Cuba but in Brazil, where in a key area with a large depressed population they would menace the whole hemisphere.

However, if intervention, while carried out unilaterally, were undertaken under a procedure calling for provisional administration of the affected country jointly by all the members of the American community, the action would appear in an entirely different light. Bemis pointed out that arrangements for such action would "protect the doctrine of non-intervention against the new technique of intervention by international communism, and would do so within the spirit of the inter-American peace and defense treaties."²¹

²⁰ See "Atlantic Islands and American Defense," *F.R.R.*, 1941 Vol. I, pp. 453-455. The Convention of Havana was ratified by the U.S. Senate in September 1940, went into effect in January 1942, and is still in force though never invoked.

²¹ Samuel Flagg Bemis, "A Way to Stop the Reds in Latin America," *U.S. News & World Report*, Dec. 28, 1959, p. 80.



